The analysis of customer satisfaction of organic products and the impact of touchpoints, brand experience and shopping values

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ABSTRACT

Today’s, Companies try to communicate with customers through a variety of marketing activities. The method of marketing communication has changed over time. Marketers have realized that not only marketing planning, such as advertising, is needed to create a business experience for the customer, but also considering all touchpoints that may exist on the brand for marketing is important. So this is an applied research which was developed to investigate the impact of touchpoints and brand experience on consumers’ satisfaction with organic products and explain the role of purchasing values. The statistical population of this study is composed of organic foods consumers in Tehran. Based on the Cochran formula 384 individuals have been considered as the statistical sample. For data collection the standard questionnaires were applied. The validity and reliability of the questionnaires were tested and the required changed were applied. As the results show, touchpoints affect the brand experience, and the brand experience has a positive effect on consumer satisfaction, and finally, buying values can modify the impact of touchpoints on brand experience.

Keywords: BrandTouchpoints, Brand Experience, Customer Satisfaction, Shopping Values, Organic Products

Introduction

In today’s competitive world, customers’ values and expectations of products have changed. Today, people do not use products merely to satisfy their environmental needs16, but rather all the factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience have gained special significance in their shopping 17.

In the present research, organic products have been studied because nowadays these products have gained increasing importance due to various reasons such as the direct impact on consumer health, lifestyle concerns as well as environmental issues, and sustainable development. The boom in organic farming around the world and the increased cultivation of organic crops have increased the revenues of the countries that supply these products to the world markets. Nowadays, organic product sales make up 1-3% of global food sales with an estimated annual growth of approximately 10-50%. Therefore, higher prices of organic products compared to ordinary products, constant market demand, and governmental support for organic producers have turned organic production into a lucrative system for the producers. The latest review of official statistics on the state of organic farming published in 2016, which presents the statistics on organic practices in various countries until the end of 2014, shows that organic product trade in this year was...
equivalent to $80 billion and the number of countries with organic regulations was 87\[8\].

To meet the demand for organic products, the main players in the organic products market must be aware of consumers’ perception of these products. Given the significant effect that brand touchpoints, brand experience, and customer satisfaction have on the success of brands and companies in the market, in the present research, the effect of brand touchpoints and brand experience on customer satisfaction regarding organic products has been examined by considering the moderating role of shopping value.

These days, customer satisfaction is one of the most important factors in determining the success of organizations in business and profitability. Therefore, creating and implementing a customer satisfaction measurement and monitoring system, as the most important factor in improving performance, is one of the basic requirements for today’s organizations\[9\]. Numerous factors affect customer satisfaction. In this research, due to the importance of the brand and brand experience, the impact of brand experience and other brand touchpoints has been considered. Examining brand touchpoints is essential for the success of any business, as it is an integral part of any contact. This factor was also examined in terms of its impact on customer satisfaction.

Touchpoints include all contacts with a company or the brand of the company where the consumer is sure of which company or brand he is dealing with\[10\]. Dunn and Davis (2004) state that spending money on the touchpoints will create customer satisfaction and brand loyalty, which in the end will strengthen the brand \[11\]. Brand touchpoints are one of the most important signs of keeping the brand promise and identity that the customer touches and based on that, recognizes the brand identity and personality. Thus, brand touchpoints should constantly be created and improved \[12\].

The issue of brand touchpoints and brand experience in the new era of marketing is highly important because brands tend to meet their customers everywhere, strengthen their emotions and create memories for them, achieve customer satisfaction, and ultimately achieve their marketing goals. The present research is novel because it examines the impact of brand touchpoints on customer satisfaction through brand experience.

In this article, the relationship between shopping values, brand touchpoints, and brand experience is examined, and also strategies to increase customer satisfaction are proposed within the framework of the research variables.

Concepts and theoretical foundations

**Touchpoints.** Stone et al. (2002) define touchpoints as the points at which products and services are purchased or serviced. A definition that focuses on the products and/or services that a company has to offer\[13\]. Mårtenson (2008) takes this definition a bit further by suggesting that touchpoints are every contact customers have with a company and its brand \[14\]. This includes everything that brings a customer to think about the specific company: from word-of-mouth recommendation to marketing activities such as a TV commercial.

Spengler and Wirth (2009) expand this definition still further by including customers as well as non-customers and other stakeholders \[15\]. They also talk about different touchpoints before, during, and after a purchase.

Mårtenson (2008) has a different way of categorizing touchpoints. Her categories are controllable, influenceable, and uncontrollable. The controllable comprises all touchpoints that a company is able to completely control in its implementation. Influenceable entails the touchpoints that the company can influence but not completely control, and finally the uncontrollable comprises all touchpoints that cannot be controlled at all. Mårtenson differentiates between outbound touchpoints initiated by a company and inbound touchpoints initiated by customers \[16\]. Both types are necessary for marketing communication but there are some differences between them.

**Brand experience.** The term experience generally refers to the concept of observation or direct participation in an event\[17\]. The experience occurs when customers search for products, buy and receive services, and when they use them\[18\].

Brand experience is one of the concepts that has recently come to the attention of consumer behavior experts. This concept refers to the experiences arising from the customers’ interactions with the product, organization, or part of it that trigger customers’ reaction\[19\].

Brakus et al. (2009) define brand experience as a multidimensional construct, triggered by consumers’ exposures to brand-related stimuli that can be traced back to their long-term memory \[20\]. In their view, this construct comprises of sensory, affective, cognitive, and behavioral dimensions.

**Customer satisfaction.** Satisfaction is the assessment of shopping at the point of sale of products or services while taking into account expectations\[21\].

Customer satisfaction is the customers’ feeling and attitude towards the product or service they have used. Customer satisfaction is a reaction that is examined by the company in the long-term behavior of the customer and is considered as an important tool in marketing, which manages its activity on customer relationship. Customer satisfaction is a key issue for organizations wishing to create a competitive advantage in today’s highly competitive world\[22\].

**Shopping values.** According to the definition by Michon, and Chebat (2004), shopping value is a concept that reflects the general benefits of the shopping experience and the satisfaction with that experience\[23\]. If the act of shopping is defined as an activity to obtain products, this definition does not fully reflect the value of the act of shopping, because shoppers do not shop merely to obtain goods and services, they also have emotional and experiential reasons\[24\].
Shopping value includes all the factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience.\(^\text{10}\)

**Hypotheses formulation and model development**

**Touchpoint and brand experience.** Bianca Culasso conducted a study at Copenhagen Business School, entitled “Natural Cosmetics and Consumer Touchpoints; the Valuable Factors Shaping the Shopping Experience.” The research has outlined how the trend of green, sustainable, and natural beauty products is increasing day by day, and it has helped define that the way market players are trying to outshine competition is through the shaping of a unique consumer experience. This study also shows how companies that want to take advantage of this favorable trend should shape their 360-degree product offer in order to make their products look appealing and tempting even in the eyes of consumers whose interests were never caught before by this product category.

With regard to the above-mentioned issues, the first research hypothesis was formulated as follows: brand touchpoints affect the brand experience.

**Brand experience and customer satisfaction.** The review of studies on the concept of brand experience suggests that brand experience has been examined from various perspectives. One of these perspectives is that of Brakus et al. (2009) who measured brand experience construct and its development to better understand the impact of brand experience on consumer behavior.\(^\text{12}\) Another perspective is proposed by Valencia (2005), who studies this issue from the perspective of brand management.\(^\text{13}\)

With regard to the above-mentioned issues, the second research hypothesis was formulated as follows: brand experience affects customer satisfaction.

**Shopping value.** Fall Diallo et al. (2015) in a study entitled “How Do Price Perceptions of Different Brand Types Affect Shopping Value and Store Loyalty?” examined the relationship between shopping value and loyalty and concluded that shopping value positively affects store loyalty, in a way that quality, price, social, and emotion value have a positive effect on loyalty. And since the relationship between satisfaction and loyalty has been examined, the relationship between shopping value and satisfaction can also be examined.\(^\text{10}\)

With regard to the above-mentioned issues, the third research hypothesis was formulated as follows: shopping values moderate the effect of touchpoints on brand experience.

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**Research Methodology**

In terms of aim, the present research is applied and in terms of the data collection method, it is a descriptive survey study. Considering the research purpose, the statistical population in this study includes consumers of organic products at Bioneshan Organic Products Store and Bamika Organic Store branches in Tehran. The selected organic product brands are as follows: Bioneshan brand, Zubin herbal tea brand, Orazan brand, and O.A.B. brand. Since the statistical population was potentially infinite, 384 persons were selected. In this research, data were collected in two stages; first, to review the theoretical background of the research, valid articles related to the studied subject were examined. In the second stage, field data collection method was used. In this method, to collect the required data from the statistical population, standard measurements, derived from previous studies and articles, were used, and since quantitative research method is used, the primary data collection instrument is questionnaire. The questionnaire is based on standard articles and contains 33 five-item questions and 5 two-stage questions. The questionnaire was distributed to consumers of organic products in Tehran. In the present research, to measure the brand experience variable, the questionnaire developed by Brakus et al. (2009) was used, which includes 12 questions. To measure the touchpoints variable, the questionnaire developed by Rosen and Waller (2009) was used, which includes 12 questions. To measure the customer satisfaction variable, the questionnaire developed by Kim et al. (2005) was used, which includes 6 questions. And finally, to measure the shopping values variable, the questionnaire developed by Diallo et al. (2010) was used, which includes 12 questions. In the present research, the answers were given on a 5-point Likert scale (Strongly disagree=1, Disagree=2, Neither agree nor disagree=3, Agree=4, Strongly agree=5). In this research, the questionnaire was constructed based on theoretical assumptions and similar research, and its validity and reliability were verified. The validity of the measurement instrument was established through content and construct validity. Content validity is a kind of validity used to examine the components of a measurement tool. In other words, content validity ensures that all the dimensions and components that can reflect the intended
concept are incorporated in the measurement. The research questionnaire was provided to experts to verify the accuracy of the questions and confirm the validity of its content, and the necessary modifications were made. Construct validity refers to the degree to which the results obtained from the application of the measurement instrument are consistent with the theoretical constructs on which the test was based. In the present research, factor analysis was used to evaluate the construct validity of the research tool. To assess the reliability of the questions, their factor loadings were examined. The factor loadings of the questions are presented in Appendix (1). Some researchers argue that variables that have a factor loading (correlation between a construct and each of its observed variables) less than 0.4 should be removed from the measurement model. In this research, the reliability of measurement tools was examined using Cronbach’s alpha and compound reliability. Based on Table (1), since Cronbach’s alpha and compound reliability values of the variables are greater than 0.7, all variables can be said to be reliable. The proposed model was assessed by structural equation modeling using SPSS and PLS software. To analyze the data, the R2 criterion was used. Its value always varies between zero and one. R2 is not provided for independent variables. The values obtained are presented in Table (1).

<table>
<thead>
<tr>
<th>variable</th>
<th>AVE</th>
<th>Cronbach's alpha</th>
<th>CR</th>
<th>R2</th>
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<tr>
<td>Brand Touchpoints</td>
<td>0.993</td>
<td>0.792</td>
<td>0.763</td>
<td>0.865</td>
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<tr>
<td>Brand Experience</td>
<td>0.9218</td>
<td>0.731</td>
<td>0.786</td>
<td>0.818</td>
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<tr>
<td>Customer Satisfaction</td>
<td>0.9265</td>
<td>0.863</td>
<td>0.845</td>
<td>0.877</td>
</tr>
<tr>
<td>Shopping Values</td>
<td>0.9427</td>
<td>0.828</td>
<td>0.801</td>
<td>0.809</td>
</tr>
<tr>
<td>Total</td>
<td>0.796</td>
<td>0.742</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Research Findings

Descriptive findings

Based on the responses to the questions in this section, the following results were obtained: the research sample consisted of 47.39% men and 52.60% women. The age of 9.63% of respondents was less than 20 years, 19.53% between 21 and 30 years, 33.59% between 31 and 40 years, 27.08% between 41 and 50 years, and 10.15% more than 50 years. 22.65% of respondents had a high school diploma or less, 50.52% had a bachelor’s degree, and 26.82% had a master’s degree or higher. Regarding marital status, 57.55% of respondents were single and 42.44% were married. Regarding employment status, 36.19% of respondents worked in the public sector, 30.46% in the private sector, 8.85% ran personal businesses, 10.93% were college students, and 13.54% held other jobs. Regarding income status, 8.85% of respondents earned less than 1 million, 24.47% earned 1-3 million, 38.80% earned 3-5 million, 15.88% earned 5-7 million, and 11.97% earned more than 7 million tomans per month.

Assessing the research hypotheses

In the present research, to study the research hypotheses, the relationships among the research variables were examined through structural equation analysis using SmartPLS software. But before referring to the research model (in terms of path coefficients and significance coefficients), to confirm or reject the hypotheses, it is necessary to establish that the extracted models have goodness of fit. Accordingly, to test the overall fit of the model, goodness-of-fit (GOF) index was used. Wetzels et al. (2009) defined the GOF values of 0.01, 0.25, and 0.36 as small, medium, and large, respectively. The GOF value of 0.493 indicates high goodness of fit of the model.

After ensuring that the model has a good fit, the research hypotheses were examined. According to Figures (2) and (3), to test the significance of the hypotheses, path coefficients and significance coefficients (T-value) were used. Using the T-test, the significance of the relationship between the variables can be assessed. In this case, values that fall outside the range of −1.96 to 1.96 are significant. In the case of the first hypothesis, considering the significance values for the research model, it is observed that for brand touchpoints and brand experience variables, the t-statistic is 5.701. And since this value falls outside the range of −1.96 to 1.96, this hypothesis is confirmed.

According to the standard coefficient, it can be said that the impact of brand touchpoints on brand experience is equal to 0.452. The T-statistic value between the brand experience and customer satisfaction is 14.215, and since this value falls outside the range of −1.96 to 1.96, this hypothesis is confirmed. According to the standard coefficient, it can be said that the impact of brand experience on customer satisfaction is 14.215, and since this value falls outside the range of −1.96 to 1.96, this hypothesis is confirmed.

According to the standard coefficient, it can be said that the moderating role of shopping values between touchpoints and brand experience is equal to 0.246. Since this value falls outside the range of −0.452 to 0.452, this hypothesis is confirmed. According to the standard coefficient, it can be said that the moderating role of shopping values between touchpoints and brand experience is equal to 0.246.
Discussion, conclusion, and recommendations

In this study, it was found that the touchpoints have a positive and significant impact on brand experience. In other words, as a brand's touchpoints improve and their number increases, the brand experience also improves and becomes more positive. Brand experience is the product of brand touchpoints that are formed in the market every time the customer interacts with the brand.

In a study by Rosen and Waller (2009) on the touchpoints, it was determined that around half of the consumer's subjective brand experience arises from the various touchpoints at the point of sale, and the relationship between touchpoints and brand experience was confirmed. Therefore, these results are consistent with those of the present study [10].

Also, in 2014, Bianca Culasso conducted a study at Copenhagen Business School, entitled “Natural Cosmetics and Consumer Touchpoints: the Valuable Factors Shaping the Shopping Experience”, which confirmed the relationship between brand experience and shopping experience [20]. Therefore, the results of this study are consistent with those of the present study. Given the impact of touchpoints variable on brand experience, it is recommended that managers of organic product brands first identify all the touchpoints of the brand, because when they become aware of the different dimensions of their brand's touchpoints, they can identify the most important dimension for consumer experience and brand experience and can decide in which sector to invest more in order to create competitive advantage and customer satisfaction, which in the long-term will lead to brand loyalty and eventually enhances companies' financial performance. It is also recommended that they constantly assess their brand’s touchpoints to become aware of consumers' needs because people's behavior can change over time. To prioritize touchpoints, the brand strategists are advised to identify all touchpoints with the aid of marketing, public relations, and organic production managers. These touchpoints can be categorized into three phases: before, during, and after a purchase. For instance, advertising, website, social networks, and brand contact at organic products exhibitions can be dealt with before the purchase, seller’s behavior, place, and packaging of organic products can be considered during the purchase, and
quality can be considered after the purchase. Then an internal marketing system can be designed to determine which touchpoints are managed well and which ones have shortcomings and weaknesses, how each manager improves the performance of the touchpoints, how well competitors perform at these touchpoints, and how much each touchpoint has contributed to the improvement of the brand experience. This system can be controlled by the brand ambassador in a large organization and by the internal manager and assistant manager in small companies. Then, by observing past, present, and future customers, they can determine which brand touchpoints have the greatest impact on their decisions and experiences. Furthermore, the value of the touchpoints from the customer's point of view should be assessed and statistically evaluated through market research.

The results of the present research also showed that brand experience affects customer satisfaction. However, improving customers' experience with organic products will also increase customers' satisfaction with organic product brands. Brand experience can be positive or negative. More importantly, the brand experience can also affect consumers' satisfaction and loyalty.

The results of this research are consistent with the results of the study by Zehir et al. in 2011 which showed the positive impact of brand experience on brand trust, satisfaction, and loyalty. The results of this research are also consistent with the results of the study by Zehir et al. (2011) which showed the positive impact of brand experience on brand trust, satisfaction, and loyalty. Furthermore, the results indicated that shopping values moderate the impact of touchpoints on brand experience and ultimately lead to customers' satisfaction with the organic product brand. Companies are recommended to consider a combination of brand experience to improve the results, advance the projects, and create a comprehensive experience including feelings, emotions, thoughts, actions, and relationships. This brand experience results in a kind of encouraging activity that promotes profitable activities and leads to brand profitability, which in turn leads to satisfaction. It is also recommended that to increase satisfaction and strengthen loyalty, improve the communication and physical features of the services, or anything that the consumer is in contact with to strengthen the brand experience and ultimately lead to customers' satisfaction with the organic product brand. Moreover, the results indicated that shopping values moderate the impact of touchpoints on brand experience. Also in Iran, some studies have been conducted to assess the impact of shopping values on customers' loyalty, satisfaction, and intention to purchase, and various articles have confirmed the relationship between shopping values and customer satisfaction. The results of these studies are consistent with those of the present study. In their study, Darini et al. (2017) concluded that loyalty is one dimension of customer's shopping value and mental image is related to loyalty. This study is also consistent with the present research.

Besides, in the study by Fall Diallo et al. (2015), the relationship between shopping value and others' recommendations was examined. According to their results, shopping value positively affects others' recommendations; that is, quality value, price value, emotional value, and social value have a positive impact on others' recommendations. In the present research, since others' recommendations are one of the components of touchpoints, the relationship between touchpoints and shopping value could also be measured. Thus, shopping value has a moderating role in the relationship between touchpoints and brand experience.
It is suggested that managers of organic product brands design their products in a way that enhances their quality, creates good feelings in customers, and helps them experience a sense of social acceptance to strengthen brand touchpoints, which in turn improves the brand experience and ultimately leads to customers’ satisfaction with the organic product brands.

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